

Press Release

**BANK OF BARODA ANNOUNCES FINANCIAL RESULTS**  
**FOR Q3 FY 2017 AND 9M (Apr-Dec 2016)**

**Highlights (Standalone Basis)**

- Operating profit of INR 2,595 crore, up by 52.29% Y-o-Y.
- Profit after Tax of INR 253 crore.
- Net Interest Income (NII) up by 15.86% Y-o-Y.
- Non-interest income up by 59.48% Y-o-Y.
- Gross NPA at INR 42,642 crore during the quarter end was below June 2016 and September 2016 levels. GNPA ratio at 11.40%.
- Net NPA at INR 19,006 crore also down on Q-o-Q basis by 1.73%. Net NPA ratio at 5.43%.
- Provision Coverage Ratio (PCR) improved to 64.50% as at December 31, 2016 from 62.95% as at September 30, 2016 and 60.17% & 60.09% as at June 30, 2016 and March 31, 2016 respectively.
- Domestic CASA grew by 43.19% (on Y-o-Y basis) and 27.94% (on Q-o-Q basis) driven by growth in both Current accounts and Savings Bank deposit.
- Domestic CASA as a percentage of domestic deposits stood at 40.46% as compared to 29.97% as at December 31, 2015 and 34.23% as at September 30, 2016. On average basis, Domestic CASA percentage stood at 37.08% as at December 31, 2016.
- Continued focus on recovery and collections, portfolio rebalancing in international book and improving profitability.
- CRAR (Basel III) stood at 12.55% with Tier I ratio of 10.04% and CET-1 of 9.28%, excluding profits of 9 months period ended December 31, 2016.

Bank of Baroda announced its unaudited reviewed results for the Q3 of FY 2017, following the approval of its Board of Directors on February 10, 2017.

### Results at a Glance (Standalone Basis)

*All figures in INR crore*

Particulars	Quarterly Results			Nine months Results		
	Q3 FY 17	Q3 FY 16	% Change	Apr-Dec: FY 17	Apr-Dec: FY 16	% Change
Total Income	12,181	11,727	3.87	36,106	36,271	(0.45)
Interest Income	10,406	10,614	(1.96)	31,325	33,047	(5.21)
Interest Expenses	7,272	7,909	(8.05)	21,393	23,637	(9.49)
Net Interest Income	3,134	2,705	15.86	9,932	9,409	5.56
Other Income	1,775	1,113	59.48	4,781	3,224	48.29
Total Expenses	9,586	10,023	(4.36)	28,151	30,028	(6.25)
Operating Expenses	2,314	2,114	9.46	6,757	6,391	5.73
<i>of which,</i> Employee Cost	1,139	1,155	(1.39)	3,416	3,544	(3.61)
Operating Profit	2,595	1,704	52.29	7,955	6,243	27.42
Provision for NPA	1,638	6,474	(74.70)	5,255	8,886	(40.86)
Provision for Tax	263	(1,118)	-	847	(247)	-
Net Profit	253	(3,342)	-	1,228	(2,165)	-

### BUSINESS

The Bank's **Total Business** stood at **INR 9,39,819 crore** as at December 31, 2016 down from **INR 9,73,959 crore** as at December 31, 2015 on account of planned and structured rundown of assets and liabilities.

**Total Deposits** stood at **INR 5,89,859 crore** as at December 31, 2016 as against **INR 5,89,687 crore** as at December 31, 2015. Corresponding figures for Average Deposits (based on daily averages) were **INR 5,72,946 crore** and **INR 5,87,116 crore**.

During the quarter, CASA deposits showed robust growth driven by deposit of cash after demonetization. The quarter also saw repayment of FCNR (B) deposits of over **INR 11,500 Crore** mobilised during Q3 FY 2013-14.

Percentage of CASA deposits to total domestic deposits as at December 31, 2016 was 40.46% as against 34.23% as at September 30, 2016.

**Total Advances (Net)** were **INR 3,49,960 crore** as at December 31, 2016 against **INR 3,84,272 crore** as at December 31, 2015. The quarter saw a turnaround in domestic credit growth and domestic advances (net) were **INR 2,50,033 crore** as at December 31, 2016 against **INR 2,46,494 crore** as at September 30, 2016.

The Bank's **International Business** continued to witness rebalancing of portfolio. As at December 31, 2016, the International Operations contributed 26.78% to the Bank's Total Business against 29.34% as at September 30, 2016.

## **INCOME**

The Bank's **Total Income** stood at **INR 12,181 crore** in Q3 FY17. **Net Interest Income** stood at **INR 3,134 crore** up by **15.86 %** y-o-y. **Other Income** increased by 59.48 % on y-o-y basis to **INR 1,775 crore**, driven by improved core fee income as well as trading gains.

## **EXPENSES**

The Bank's **Total Expenses** declined by 4.36% (y-o-y basis) to **INR 9,586 crore** in Q3 FY 17 driven primarily by reduction in cost of deposits. The interest expenses reduced by 8.05% (y-o-y basis) from **INR 7,909 crore** as at December 31, 2015 to **INR 7,272 crore** as at December 31, 2016.

## **PROFIT**

Prudent management of assets and liabilities as detailed above has led to improvement in profitability. The Bank's **Operating Profit** was **INR 2,595 crore** in Q3 FY17 (as against **INR 1,704 crore** in Q3 FY 16).

The Bank posted a **Net Profit of INR 253 crore** for Q3 FY 17.

## **NET INTEREST MARGIN**

The Net Interest Margin (NIM) for Domestic operations stood at 2.49% while global margin stood at 2.06%.

## **ASSET QUALITY**

**Gross NPA (GNPA)** of the Bank marginally reduced to **INR 42,642 crore** as on December 31, 2016 as compared to **INR 42,949 crore** as at September 30, 2016. The Gross NPA ratio stood at 11.40% as compared to 11.35% as at September 30, 2016. The corresponding figures of the **Net NPA ratio** stood at 5.43% and 5.46% respectively.

**Total Restructured Standard Assets** of the Bank were **INR 14,059 crore** as on December 31, 2016. The total Stressed Assets (GNPA + Restructured Standard Assets) were 15.16% of the Gross Advances.

### **PROVISIONS AND CONTINGENCIES**

**Provisions and Contingencies (excluding tax provisions)** made by the Bank stood at **INR 2,079 crore** in Q3 FY17. **Provisions against NPAs/ Bad Debts written off** stood at **INR 1,638 crore** in Q3 FY17. Provision for tax was **INR 263 crore**.

The **Provision Coverage Ratio (PCR)** improved to **64.50%** as at December 31, 2016 as compared to **62.95%** last quarter and 60.17% in June 2016 and 60.09% in March 16

### **CAPITAL ADEQUACY**

The **CRAR** on standalone basis (**Basel III**) is **12.55%** as at December 31, 2016. Out of this, the **Tier 1** capital was **10.04%** and **CET 1** Capital was **9.28%**.

### **TRANSFORMATION OF THE BANK**

The Bank continues to make progress on the execution of Project Navoday - a comprehensive business transformation that seeks to deliver a differentiated world-class customer experience enabled by an energised and engaged team and driven by technology.

The Bank has re-organized the Corporate Banking vertical with various initiatives which include: Centralized Processing Centre (CPC) being fully operational for credit processing, Relationship Manager (RM) coverage expanded pan-India across Large Corporate and Emerging Large Corporate branches, Sales Management Process and Credit Processes institutionalized and being monitored through the Lead Tracker Tool, and Pricing Task Force being set up for pricing optimisation.

The Bank is focusing on expanding the mortgage and car loan portfolio, aided by Analytics.

Strategic partnerships with MSME as well as with key players in the agricultural sector are being forged for building the rural banking ecosystem across Agro Processing, Warehouse Financing, Market Intelligence, and Minor Irrigation. The Bank is also putting in place partnerships with E-Commerce, M-Commerce and Fintech firms to augment the growth of the MSME and Retail business.



The Bank has also started adopting villages and converting them to a cashless ecosystem through education and promotion of digital products.

The Trade Finance Back Office for issuance of Import LCs, Advance Remittance against Imports and Clean Remittance is now operational with enhanced control.

The Bank has also instituted the Sayajirao Gaekwad Fellowship Programme to encourage young professionals with entrepreneurship / start-up ideas to gain a one year experience of the financial and banking industry world and also obtain organisational support in developing their start up idea.

The Bank continues to focus on increasing employee engagement through Project Anubhuti (encompassing “Zero Hour”, “Employee of the Month” and other initiatives), which has been well-received.

The Bank’s transformation is aimed at improved market share, quality growth of balance sheet, diversified portfolio, enhanced fee income, strengthened internal controls and compliance, and on the back of implementing cutting-edge digital technology solutions.

**February 10, 2017**  
**Mumbai**



## About Bank of Baroda

Bank of Baroda (“The Bank”) established on July 20, 1908 is an Indian state-owned banking and financial services organization, headquartered in Vadodara (earlier known as Baroda), in Gujarat, India.

Bank of Baroda is one of India’s largest banks with a strong domestic presence spanning 5,382 branches and 10,404 ATMs and Cash Recyclers supported by self-service channels. The Bank has a significant international presence with a network of 107 branches/ offices subsidiaries, spanning 24 countries. The Bank has wholly owned subsidiaries including BOBCARDS and BOB Capital Markets. Bank of Baroda also has joint ventures for life insurance with IndiaFirst Life Insurance and for asset management with Baroda Pioneer Asset Management. The Bank owns 98.57% in Nainital Bank. The Bank has also sponsored three Regional Rural Banks namely Baroda Uttar Pradesh Gramin Bank, Baroda Rajasthan Gramin Bank and Baroda Gujarat Gramin Bank.

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